

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **VICE CHAIRMAN WILLIAM CRISMORE**, on January 19, 2001 at 8:30 A.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Sen. William Crismore, Vice Chairman (R)
Rep. Christine Kaufmann (D)
Sen. Linda Nelson (D)
Sen. Bill Tash (R)

Members Excused: Rep. Dick Haines (first part of the meeting)
Rep. Joe Tropila (D)

Members Absent: None.

Staff Present: Gary Hamel, Legislative Branch
Amber Sauer, Committee Secretary
Doug Schmitz, OBPP
Todd Younkin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Department of Agriculture,
Dept. of Natural Resources and
Conservation Fire Costs
Executive Action: Department of Agriculture,
Organic Certification Program

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EXECUTIVE ACTION ON DEPARTMENT OF AGRICULTURE

ORGANIC CERTIFICATION PROGRAM

Mr. Todd Younkin, LFD, stated in the previous meeting, a question of constitutionality was raised in regard to DP-7 Organic

Certification Program. **Mr. Younkin** posed a question to the Legislative Legal Services staff; however, a decision on that is still forthcoming. Also addressed the previous day was the possibility of requesting money for market development and advertising from the Wheat and Barley Committee. **Mr. Younkin** stated the options for alternative sources of funding per the following exhibit:

EXHIBIT (jnh15a01)

He covered the options for funding, the action that could be taken, and language that could be used to show the intent of the legislature.

Mr. Ralph Peck, Director, Department of Agriculture, stated the Department concurs with the analysis by **Mr. Younkin**. He stated the funding source could be considered a gray area as to whether or not Wheat and Barley Committee funds could be used. The issue is that the intent of the last legislature was for the Organic Certification Program be self-sustaining through fees collected; however, funds are necessary for program implementation.

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Motion/Vote: REP. KAUFMANN moved that DP-7 ORGANIC CERTIFICATION PROGRAM BE FUNDED 100 PERCENT GENERAL FUND ONE-TIME-ONLY AND RESTRICTED INCLUDING LANGUAGE "IT IS THE INTENT OF THE LEGISLATURE THAT THE DEPARTMENT'S ORGANIC CERTIFICATION PROGRAM PROPOSAL FOR THE 2005 BIENNIUM CONTAIN NO GENERAL FUND." BE ADOPTED. Motion carried 5-0.

That concluded the Department of Agriculture.

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DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Fire Suppression Costs

Mr. Gary Hamel, LFD, reopened the discussion on fire issues for the Department of Natural Resources and Conservation (DNRC). **Mr. Hamel** and the DNRC met to discuss proposals for funding fire suppression expenditures and he presented them to the committee.

EXHIBIT (jnh15a02)

He covered the history of fire suppression expenditures and how they have been met, the desired result of funding fire suppression costs while minimizing the inefficiencies associated with the current method, and four suggested proposals in detail with pros and cons noted for each. He also referred to the LFD Budget Book on pages C-128 and C-129 and the table showing five-year averages for supplemental fire suppression costs.

Mr. Hamel stated fire suppression expenditures is a complex issue. Some of the proposals are more short-term and some more long-term.

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The committee discussed some of the options. **SEN. CRISMORE** felt further discussion would be in order when **CHAIRMAN HAINES** could be in the meeting.

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Mr. Bud Clinch, Director, Department of Natural Resources And Conservation, answered questions of the committee regarding how any one of the various proposals could be implemented. He felt proposal #2 might be the most possible which is to utilize a predetermined amount of the Governor's current emergency fund of \$12 million. A certain amount would be set aside only for fire suppression costs and not be available for use in other emergencies. **SEN. CRISMORE** asked if there are currently any proposals to address this issue before the legislature. **Mr. Clinch** responded that although the same issue has surfaced in past sessions, he was not aware of any proposals in this session. Firefighting strategy has been changed and the cost of firefighting has rapidly been driven up due to the fact that homes are now located in the fire areas, not just cabins. **Mr. Clinch** spoke further about the various proposals. **SEN. TASH** stated he felt the home owners who choose to place their homes in potential forest fire zones should bear some responsibility for the cost of fire suppression.

Mr. Don Artley, Administration, Forestry Division, stated Oregon is the only state at this time who has entered into catastrophic insurance policies for wildland fire costs. In the end, it does not save the state any money since the yearly premium is so high and usually the deductible is high. It levels the cost over good and bad years.

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CHAIRMAN HAINES arrived at the meeting at this time. He stated the cost sheet presented previously for the committee was a clear explanation of the request for HB 3 Supplemental. Copies were distributed for the committee.

EXHIBIT(jnh15a03)

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Mr. Artley explained the request again in brief for the committee. He stated part of the problem is that reimbursements from FEMA and other agencies will not come in this fiscal year. **REP. KAUFMAN** asked what the results would be if the funds were not approved. **Mr. Clinch** responded it really is not an option. The State of Montana owes this money to other agencies and other states and is legally obligated to pay the bills. **SEN. NELSON** added meeting these obligations prepares Montana for the next time they need help.

The committee discussed the issue further. **Mr. Clinch** stated the DNRC had to use some very innovation methods to cover payroll and other immediate expenses for the fire costs such as borrowing from Water Resources and the Department of Environmental Quality. The overall consensus was that it is necessary to address fire suppression costs funding in another manner than the present method. **Mr. Hamel** stated possibly studying it during the interim is the answer to allow enough time to study the problem fully. **Mr. Clinch** stated there are two problems before the committee and the legislature. The first is a band-aid fix for the immediate problem of funding caused by the fire season of 2000 and the second is a policy decision of how to address such future seasons with tax assessments, fees, or zoning requirements, etc.

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The committee continued with discussion on the proposals. **SEN. NELSON** asked if the landowner fees as mentioned in #1 of proposal #4 are charged to every landowner in the state. **Mr. Hamel** was not sure of the base of landowners currently assessed those fees. **Mr. Clinch** stated the fees are currently assessed to only those landowners who are in the fire protection districts of the DNRC which is about 5 million acres of joint ownership. He felt it would be necessary for an equitable method of generating the larger amount of money needs to be determined.

REP. KAUFMANN asked if a committee bill would be necessary to put forward. **REP. HAINES** stated it will go to the appropriations committee of the whole with this subcommittee's recommendation.

The committee of the whole will then take up the issue. He felt possibly language should be written to allow quicker access to the Governor's Emergency Fund. **Mr. Clinch** stated that would be a big step forward and that it might continue to be studied into the next session. He agreed to confer with the Budget Office to get specific recommendations on language addressing the Governor's Emergency Account. **REP. HAINES** stated he would like to see it go forward as a bill. He would check with others to see if that would be supported.

Mr. Clinch asked for clarification as to what should be requested and how it should be presented in Supplemental HB 3. He suspected it would take a thorough presentation for a clear understanding of the request. The DNRC would be happy to participate in making overheads, flipcharts, etc. **REP. HAINES** stated he would be comfortable presenting the information on exhibit 3 with the DNRC there in support for questions. The committee will finish this issue at a later time.

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There was additional discussion on the pros and cons of designating \$1,000,000 general fund for emergency firefighting in HB 2. **REP. HAINES** explained fully the vulnerability of such an item as the legislature comes to a close and conference committees are working to finalize the balancing of the budget.

VICE CHAIRMAN CRISMORE adjourned the meeting.

ADJOURNMENT

Adjournment: 9:45 A.M.

REP. DICK HAINES, Chairman

SANDRA WHITAKER, Transcription
Secretary

DH/SW

EXHIBIT (jnh15aad)